

Franchise Tax Board**ANALYSIS OF ORIGINAL BILL**

Author: Davis Analyst: Deborah Barrett Bill Number: AB 865
Related Bills: None Telephone: 845-4301 Introduced Date: February 22, 2007
Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: State Agencies Establish Procedure For Live Customer Service Agents To Answer Telephone Calls On Public Lines During Regular Business Hours

SUMMARY

This bill would require state agencies to answer public telephone lines within 10 rings using a live customer service agent during business hours.

PURPOSE OF THE BILL

According to the author's office, the purpose of this bill is to improve the customer service provided at state agencies.

EFFECTIVE/OPERATIVE DATE

This bill would be effective on January 1, 2008, and be operative for incoming calls received on or after that date.

POSITION

Pending.

ANALYSIS**STATE LAW**

Current state law requires a state agency to answer incoming telephone calls within 10 rings during normal business hours, except when emergencies or illness requires adjustments to normal staffing levels. This requirement is applicable to every state office unless compliance would require overtime or compensating time off. Current law is silent as to how incoming calls must be answered.

THIS BILL

This bill would require all state agencies to provide a live customer service agent to answer incoming telephone calls within 10 rings during regular business hours. This bill would not eliminate current exceptions based on emergency or illness, and removes overtime and compensating time-off as justification for noncompliance.

Board Position:

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Department Director**Date**

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PROGRAM BACKGROUND

The Franchise Tax Board (FTB) uses a variety of options including Interactive Voice Response systems (IVR), voice mail, and call centers to meet current requirements. Communication between FTB and its customers occurs primarily by telephone. Workload demand is monitored frequently and customer service personnel are shifted on a daily basis to better accommodate customer demand during peak workload periods.

The two largest call centers operating within FTB are the Taxpayer Services Center Section in the Filing Division and the Individual Tax Collection Bureau in the Accounts Receivable Management Division. Agents provide assistance related to general tax law, filing requirements, return preparation, forms requests, refund status, estimate payments, enforcement notices, bills, and account resolution. FTB has several other call centers devoted to the collection of both tax and non-tax debts owed to the state.

Use of an IVR is the cornerstone of FTB's customer service platform and is the first point of contact for approximately 6.9 million customers calling to obtain information or to resolve an account problem. The IVR provides the caller with multiple options to resolve their questions in either English or Spanish and includes the option to speak to a live agent. Approximately half of all customer contacts are resolved within the IVR system.

FTB is currently upgrading its call center systems, which is expected to be fully implemented by September, 2007, at a cost of approximately \$17 million. This project, when completed, relies heavily on the IVR process to achieve customer service goals.

IMPLEMENTATION CONSIDERATIONS

By requiring a live agent to answer the phone, this bill would eliminate the IVR as a customer service option during normal business hours. Since the department relies heavily on the IVR and currently lacks the staff necessary to answer every incoming call with a live agent, this bill would result in significantly increased call wait times and possible redirection of non-call center staff resources away from revenue generating activity. The author may wish to make an exception for state agencies that receive large volumes of calls and utilize service options other than live agents to prevent a decline in taxpayer service levels

LEGISLATIVE HISTORY

SB 10 (Lockyer, Stats 1989, CH. 706) requires all state agencies to establish a procedure for answering incoming calls on public lines within 10 rings between the hours of 8:00 a.m. and 5:00 p.m. The statute includes exception language if compliance would require overtime or compensated time off.

FISCAL IMPACT

In order for FTB to comply with the provisions of this bill, a considerable increase in personnel would be required to respond to the large volume of calls received daily by the department. The additional staff required to handle average call volumes would also need to be increased to respond to the increased call volumes experienced during our peak processing periods.

Augmentation of the level of staff that would be needed would require additional facility and infrastructure resources to house, train, and equip the staff to respond to the calls received by the department. If additional staffing were not received, FTB would be required to redirect current staff assigned to revenue generating workloads to answer the telephones, which would impact FTB's ability to administer state income tax law in the areas of audit, collection, and processing. A cost estimate will be developed as this bill progresses through the legislature.

ECONOMIC IMPACT

If FTB's call center staff was augmented to enable all the calls that are currently handled electronically to be handled by live agents, there would be no revenue impact from this bill. Assuming there would be no augmentation, the inability to use the automatic system would have several adverse effects that could negatively impact revenue by some unknown amount.

POLICY CONCERNS

By authorizing the expenditure to upgrade the call center functions at FTB, the Legislature has made the policy decision that leveraging technology to achieve efficiency and improve service to California taxpayers is appropriate.

LEGISLATIVE STAFF CONTACT

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